

UNAPPROVED MINUTES
COUNCIL MEETING
May 24, 2010

A regular meeting of the Council of the City of Salem, Virginia, was held in Council Chambers, City Hall, 114 North Broad Street, on May 24, 2010, at 7:30 p.m., there being present all the members of said Council, to wit: Byron Randolph Foley, John C. Givens, Jane W. Johnson, William D. Jones, and Lisa D. Garst; with Byron Randolph Foley, Mayor, presiding; together with Kevin S. Boggess, City Manager; James E. Taliaferro, II, Assistant City Manager and Clerk of Council; Frank P. Turk, Director of Finance; Melinda J. Payne, Director of Planning and Economic Development; Charles E. Van Allman, Jr., City Engineer; Mike Stevens, Communications Director; and Stephen M. Yost, City Attorney, and the following business was transacted:

The May 10, 2010, work session and regular meeting minutes were approved as written.

The report by the Director of Finance of the City's financial status for a ten-month period ending April 30, 2010, was received and ordered filed.

Mayor Foley reported that this date and time had been set to hold a public hearing to consider an ordinance on first reading adopting the budget for fiscal year 2010-2011; notice of such hearing was advertized in the May 20, 2010, issue of Salem Times-Register, a newspaper published and having general circulation in the City of Salem; and

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| <u>ITEM 1</u> ORDINANCE PASSED ON FIRST READING ADOPTING THE BUDGET FOR FY 2010-2011 |
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WHEREAS, David Foster, 342 High Street, appeared before the Council and stated that he doesn't want Council to feel that no one cares about the budget; he stated that he appreciates everything Council does in terms of trying to work through the current economic constrictions while trying to also preserve the high level of services City residents have come to enjoy; he stated that he did not come to criticize Council, but came to try to learn something; he asked if it was possible to get a list or a graph of city vehicle ownership over time; he stated that he feels that city vehicles need to be driven at least a year or two years longer than they are currently being driven before new vehicles are bought; he stated that he would also like a graph or chart of the average of city vehicles over time; he stated that it seems to him that the majority of the vehicles are newer vehicles; and

WHEREAS, Councilman Jones stated that he appreciates Mr. Foster coming before Council; he stated that for the last six months he and Mayor Foley

have been working with the City Manager regarding city vehicles; they have been looking at the number of vehicles employees drive home, why they drive vehicles home, and they are trying to develop a plan to determine if the City's vehicle policy needs to be adjusted, and/or enforced; he further stated that there has been a freeze on purchasing vehicles for the past two years; and

WHEREAS, Mayor Foley stated that no new vehicles are to be purchased in the FY 2010-2011 budget; and

WHEREAS, Councilmember Jones stated that approximately 66 vehicles are driven home by employees; he does not know the total number of city owned vehicles; however Council and the City Manager are continuing to work on the company vehicle policy/management; he further stated that the City has a good policy in place, if it is enforced; and

WHEREAS, Mr. Foster stated that he was not targeting vehicles that go home with employees, he was more concerned with the overall number of city owned vehicles; he stated that he sees city crews doing work with equipment, which is needed, but there are unnecessary vehicles on the job site; he feels that there is room to reduce the vehicle use, which would save fuel and have positive affects on the budget; and

WHEREAS, Councilwoman Johnson stated that vehicles are "recycled" within the city, i.e. old police vehicles are being used in other departments; and

WHEREAS, Councilman Jones stated that the city purchased an electric vehicle from Dominion Dodge on an experimental basis in an effort to diversify the types of energy being used; he stated that the city is working to get the "most bang for its buck" and has not purchased new vehicles in the past year; and

WHEREAS, the City Manager stated that a couple of vehicles have been replaced and were purchased as used vehicles through the Virginia Department of Transportation; the vehicles purchased replaced existing vehicles that had a failure and could not be replaced with a "hand-me-down" vehicle; he further stated that city vehicles are utilized until they can no longer be used; and

WHEREAS, Mr. Foster stated that he would like to discuss another vehicle related matter; he questioned what portion of the school budget consists of school buses because buses don't educate; he stated that the busing component of the school budget should always get a "free ride"; he further stated that three buses go up and down his street every morning and every afternoon with only a

few students on them; he questioned if the school busing system needs to be looked at to become more efficient so that there would be fewer buses, drivers, use of less fuel, etc.; and

WHEREAS, Mayor Foley stated that questions should be directed to the School Board; he stated that the buses schedule does get looked at; he further stated that the schools received a grant this year in an effort to increase the number of students who walk to school or ride their bicycles; and

WHEREAS, Councilman Jones stated that the Director of Finance may be able to answer Mr. Foster's question regarding what portion school buses comprise in the school budget; and

WHEREAS, the Director of Finance stated that the School Board Budget to be approved is approximately \$42 million; he stated that the total transportation budget is less than \$1 million, which is less than five percent of the school budget; he further stated that the current bus fleet is aging and there is a need to replace some buses, but the schools are maintaining the buses as best they can; he stated that he cannot address bus routes and suggested that Mr. Foster contact the Superintendent of Schools; he stated that the schools currently have a very frugal busing system; he further stated that the school system monitors the bus routes and every year routes are redrafted based upon the children registered to be in school for the school year; and

WHEREAS, Mr. Foster questioned if there are minimum standards that have to be followed; and

WHEREAS, the Director of Finance stated that there are standards that the school system has to adhere to; and

WHEREAS, Mayor Foley stated that Mr. Foster should direct the questions to the School Board; and

WHEREAS, Karen Layton, 307 Bowman Avenue, appeared before the Council on behalf of the Brain Injury Services; she stated that on Friday, June 15, 2007, around 1:30 a.m. her family's life changed; she stated that in just that moment they went from a two-parent working family of four to a one-parent working family; she stated that her husband was approved for disability in January 2008; she further stated that her husband had a seizure and fell and hit his head on June 15, 2007, which caused his brain to swell; she stated that this happened in New York, where they spent over a month for her husband to be well enough to travel back home; she stated that her husband was in Lewis-Gale

Medical Center for therapy until October 14, 2007, working on his left-side deficiency caused by the brain injury and stroke; she stated that they were encouraged to fill out an application seeking assistance from Brain Injury Services; she stated that the application process turned out to be one of the best things to happen to her family; since her family began working with a Brain Injury Team, her family has received a grant from the Jason Foundation to pay for a handicapped vehicle; she further discussed the many ways Brain Injury Services has helped her family, and the programs offered by Brain Injury Services; she stated that the support of Brain Injury Services, their case worker, and the entire Brain Injury Team is priceless; she thanked Council for its support of Brain Injury Services and hopes that Council continues to support Brain Injury Services; and

WHEREAS, Rollie Gilcrist, 4333 Electric Road, Roanoke, case manager with Brain Injury Services, appeared before the Council and thanked Council for thinking about Brain Injury Services during the current tough economic times; and

WHEREAS, no other person(s) appeared related to the public hearing; and

WHEREAS, Councilman Jones thanked City Staff for their hard work and effort during the current economic difficulty Salem is faced with; he stated that the 28 jobs that are currently on hold, which amount to over \$877,000, goes to show what Salem is about; he stated that the City Manager, Assistant City Manager, and other departments have come together to continue to provide services to the citizens of Salem, even though times are tough; he stated that he appreciates the efforts from a Council standpoint, but even more from a citizen's standpoint; he stated that some tough decisions have been made, but services are still being provided to the residents of Salem, and its children; he again commended City Staff; and

WHEREAS, Councilwoman Johnson echoed Councilman Jones' comments; she thanked the people who spoke regarding the budget; and

WHEREAS, Vice Mayor Givens also echoed the previous comments; he also thanked City employees, as well as School employees for their efforts; and

WHEREAS, Councilwoman Garst stated that this budget process has been a difficult process, but the core values of Salem remain intact; and

WHEREAS, Mayor Foley stated that he feels like everyone has felt the pain of the current economic situation the City is faced with; he stated that it was not an easy process; he thanked everyone for their efforts and contributions to the budget process;

ON MOTION MADE BY VICE MAYOR GIVENS, SECONDED BY COUNCILMAN JONES, AND DULY CARRIED, an ordinance entitled, "AN ORDINANCE APPROPRIATING FUNDS FOR THE OPERATION OF THE CITY OF SALEM, VIRGINIA, FOR THE FISCAL YEAR BEGINNING JULY, 1, 2010," was hereby passed on first reading – the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

Mayor Foley requested that Council consider an ordinance on first reading establishing tax rates for real estate and personal property; effective July 1, 2010; and

WHEREAS, the Director of Finance stated that the proposed rates are the same rates that have been in place since the 1980s;

ON MOTION MADE BY COUNCILMAN JONES, SECONDED BY VICE MAYOR GIVENS, AND DULY CARRIED, an ordinance entitled, "AN ORDINANCE IMPOSING TAXES ON REAL ESTATE, TANGIBLE PERSONAL PROPERTY, MACHINERY AND TOOLS, AND ALL LEGAL SUBJECTS OF TAXATION FOR CITY PURPOSES, INCLUDING THE PROPERTY OF RAILROAD, EXPRESS, TELEPHONE, TELEGRAPH, WATER, HEAT (GAS), LIGHT, AND POWER COMPANIES, FOR SUPPORT OF THE CITY GOVERNMENT, PAYMENT OF INTEREST ON THE CITY DEBT, AND FOR ALL OTHER MUNICIPAL EXPENSES, BOTH GENERAL AND SPECIAL," was hereby passed on first reading – the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

ITEM 2
ORDINANCE
PASSED ON FIRST
READING
ESTABLISHING TAX
RATES FOR REAL
ESTATE AND
PERSONAL
PROPERTY
EFFECTIVE JULY 1,
2010

Mayor Foley requested that Council consider adopting Resolution 1160 establishing the Schematic List of Job Classes and Pay Ranges for the ensuing fiscal year; effective July 1, 2010; and

WHEREAS, the Director of Finance stated that the only thing that has been changed is the year at the top of the plan to reflect the fiscal year 2010-2011;

ITEM 3
RESOLUTION 1160
ADOPTED
ESTABLISHING THE
SCHEMATIC LIST
OF JOB CLASSES
AND PAY RANGES
FOR FY 2010-2011

ON MOTION MADE BY VICE MAYOR GIVENS, SECONDED BY COUNCILWOMAN JOHNSON, AND DULY CARRIED, Resolution 1160 establishing the Schematic List of Job Classes and Pay Ranges for fiscal year 2010-2011 was hereby adopted:

(HERE SET OUT RESOLUTION 1160)

– the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

ITEM 4
RESOLUTION 1161
ADOPTED SETTING
THE POWER COST
ADJUSTMENT
FACTOR FOR 2010-
2011

Mayor Foley requested that Council consider adopting Resolution 1161 setting the Power Cost Adjustment Factor for 2010-2011; and

WHEREAS, the Director of Finance stated that the City has a 20-year contract with Appalachian Power/AEP for the wholesale purchase of power that has provisions for a formula that describes the rate the City pays; he stated that there is a Power Cost Adjustment Factor within the billing structure which allows the City to pass through the cost of the increase from AEP; he stated that the adjustment factor for 2010-2011 is \$0.0040; he further stated that represents an approximate increase of \$4.00 per month for a resident that uses 1,000 kwh;

ON MOTION MADE BY COUNCILWOMAN JOHNSON, SECONDED BY COUNCILWOMAN GARST, AND DULY CARRIED, Resolution 1161 setting the Power Cost Adjustment Factor for 2010-2011 was hereby adopted:

(HERE SET OUT RESOLUTION 1161)

– the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

ITEM 5
REPORT
REGARDING
RENEWAL OF
HEALTH
INSURANCE WITH
ANTHEM BLUE
CROSS/BLUE
SHIELD AND
ALLOCATION OF
COSTS

Mayor Foley requested that Council receive a report regarding renewal of health insurance with Anthem Blue Cross/Blue Shield and allocation of costs; and

WHEREAS, the Director of Finance stated that the city has received the renewal for the health insurance plan; he stated that the city has a self-funded plan so it's based on utilization and how employees use the health plan; he further stated that a general rate increase of five percent is proposed; he stated that five percent is well below the "trend" for health insurance rate increases; he stated that for the first time in the history of the city, both active and retired employees are being asked to make a contribution toward their health

insurance; the employees and retirees are being asked to pay a contribution of five percent, approximately \$25.20 per month per subscriber; he further stated that the Leadership Development Program participants feel very strongly that employees should have a vested interest in the plan, which will help limit the City's obligation over the years; he stated that he feels that it is a minimal amount and there is a possibility the amount will increase to ten percent in 2011; he stated that he is asking Council to concur and approve the report outlining both the increase cost in health insurance and how the costs will be allocated to all active and retired employees; and

WHEREAS, Councilwoman Garst stated that a five percent increase in health insurance is a nominal increase; and

WHEREAS, Mayor Foley stated that other options relating to health insurance have also been discussed; and

WHEREAS, the City Manager stated that the Leadership Development Group did an outstanding job in determining a plan that will keep the City sustainable, but part of the plan are ideas that will be built on that will help control, if not reduce, health care costs; i.e. clinic model for employees and their family members covered under the city's health insurance plan; he stated that at some point in the not too distant future, a request will come before Council for additional endorsement of some of the plans/programs that the Leadership Development Group has come up with; and

WHEREAS, Mayor Foley thanked the members of the Leadership Development Group for their efforts in evaluating the options available;

ON MOTION MADE BY VICE MAYOR GIVENS, SECONDED BY COUNCILMAN JONES, AND DULY CARRIED, the report outlining both the increase in health insurance and how the costs will be allocated to all active and retired employees was hereby approved; the City Manager is hereby authorized to execute the contract with Anthem for the next health plan year beginning October 1, 2010, and amend the POP to reflect the changes to the employee/retiree benefits – the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

Mayor Foley requested that Council consider vacation of abandoned easements for Tax Map #142-1-1 at the Lowe's site; and

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| <p>ITEM 6 VACATION OF ABANDONED EASEMENTS FOR T/M #142-1-1 AT THE LOWE'S SITE</p> |
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WHEREAS, the City Attorney stated that BET Wilkinson Salem Venture, LLC, is the owner of the Lowe's property; there are a number of old easements on the property created by old deeds of easements dating back to the 1930s; he stated that at the time Lowe's began construction, new easements were dedicated for water, sewer, drainage, etc.; the old easements are no longer needed by the City and are an encumbrance against the property, so at the request of the owner, an instrument has been prepared to vacate and terminate the old easements that are no longer needed; and

WHEREAS, Councilwoman Garst questioned if the new easements have improvements on them; and

WHEREAS, the Clerk of Council stated that the new easements do have improvements on them;

ON MOTION MADE BY COUNCILWOMAN JOHNSON, SECONDED BY COUNCILWOMAN GARST, AND DULY CARRIED, the vacation of abandoned easements for Tax Map #142-1-1 at the Lowe's site was hereby approved – the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

Mayor Foley requested that Council consider appointments to fill vacancies on various boards and commissions;

ON MOTION MADE BY VICE MAYOR GIVENS, SECONDED BY COUNCILWOMAN JOHNSON, AND DULY CARRIED, Thomas E. Bowers and Eric "Ric" Atkins were hereby appointed to the Court-Community Corrections Regional Community Criminal Justice Board for a three-year term, said terms will expire June 30, 2013; Thomas E. Bowers was hereby reappointed and Eric "Ric" Atkins was hereby appointed to the Court-Community Corrections Regional Alcohol Safety Action Program Policy Board for three-year terms, said terms will expire June 30, 2013 – the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

Mayor Foley requested that Council consider the request of the City Manager to hold a closed session pursuant to provisions of Sections 2.2-3711 A (7) of the 1950 Code of Virginia, as amended, for consultation with legal counsel on a specific legal matter;

ITEM 7
THOMAS E.
BOWERS AND ERIC
"RIC" ATKINS
APPOINTED TO
COURT-
COMMUNITY
CORRECTIONS
REGIONAL
COMMUNITY
CRIMINAL JUSTICE
BOARD; THOMAS
E. BOWERS
REAPPOINTED
AND ERIC "RIC"
ATKINS
APPOINTED TO
COURT-
COMMUNITY
CORRECTIONS
REGIONAL
ALCOHOL SAFETY
ACTION
PROGRAM POLICY
BOARD

ITEM 8
CLOSED SESSION
FOR
CONSULTATION
WITH LEGAL
COUNSEL

ON MOTION MADE BY VICE MAYOR GIVENS, SECONDED BY COUNCILWOMAN JOHNSON, AND DULY CARRIED, in accordance with Section 2.2-3711 A. of the Code of Virginia, 1950 as amended to date, Council convened to Closed Session at 7:46 p.m. for consultation with legal counsel, which is authorized by Section 2.2-3711 A. (7) of the Code of Virginia, 1950 as amended to date -- the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

Upon reconvening at 8:53 p.m.;

ON MOTION MADE BY VICE MAYOR GIVENS, SECONDED BY COUNCILWOMAN JOHNSON, AND DULY CARRIED, in accordance with Section 2.2-3712 D. of the Code of Virginia, 1950 as amended to date, Council hereby certifies that in Closed Session only items lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such items identified in the motion by which the Closed Session was convened were heard, discussed, or considered by the Council -- the roll call vote: Lisa D. Garst – aye, William D. Jones – aye, Jane W. Johnson – aye, John C. Givens – aye, and Byron Randolph Foley – aye.

There being no further business to come before the Council, the same on motion adjourned at 8:54 p.m.